

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re VEHICLE TRACKING AND
SECURITY SYSTEM ('844) PATENT
LITIGATION,

This Document Relates To:

PJC Logisitics, LLC v. Averitt
Express, Inc. et al., No. 11-2556
DWF/SER

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) MDL No. 11-2249 (DWF/SER)
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ANSWER AND COUNTERCLAIMS OF DEFENDANT FEDERAL EXPRESS CORPORATION

Defendant Federal Express Corporation ("FedEx Express") hereby answers the Complaint filed by Plaintiff PJC Logistics, LLC ("PJC"). FedEx Express hereby responds to the allegations in the Complaint, and in doing so, denies the allegations of the Complaint except as specifically stated herein.

NATURE OF THE ACTION

1. FedEx Express admits the allegation in paragraph 1 of the Complaint.

THE PARTIES

2. FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 2 of the Complaint.

3. Paragraph 3 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 3.

4. Paragraph 4 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 4.

5. Paragraph 5 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 5.

6. Paragraph 6 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 6.

7. Paragraph 7 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 7.

8. Paragraph 8 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 8.

9. FedEx Corporation has been dismissed from this matter by stipulation. Paragraph 9 therefore does not require a response by FedEx Express.

10. FedEx Express admits the allegations in paragraph 10 of the Complaint.

11. Paragraph 11 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 11.

12. Paragraph 12 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 12.

13. Paragraph 13 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 13.

14. Paragraph 14 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 14.

15. Paragraph 15 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 15.

16. Paragraph 16 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is

required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 16.

17. Paragraph 17 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 17.

18. Paragraph 18 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 18.

19. Paragraph 19 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 19.

20. Paragraph 20 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 20.

21. Paragraph 21 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 21.

22. Paragraph 22 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 22.

23. Paragraph 23 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 23.

24. Paragraph 24 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 24.

25. Paragraph 25 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 25.

26. Paragraph 26 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 26.

27. Paragraph 27 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is

required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 27.

28. Paragraph 28 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 28.

29. Paragraph 29 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 29.

30. Paragraph 30 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 30.

31. Paragraph 31 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 31.

32. Paragraph 32 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 32.

JURISDICTION AND VENUE

33. FedEx Express denies the allegations in paragraph 33 of the Complaint, except it admits that PJC's Complaint alleges patent infringement claims under Title 35 of the United States Code, that this Court has subject matter jurisdiction over this controversy under 28 U.S.C. §§ 1331 and 1338(a), and that venue is proper in the Eastern District of Virginia for purposes of this action only.

34. Paragraph 34 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 34.

35. Paragraph 35 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 35.

36. Paragraph 36 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 36.

37. Paragraph 37 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 37.

38. Paragraph 38 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 38.

39. Paragraph 39 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 39.

40. FedEx Corporation has been dismissed from this matter by stipulation. Paragraph 40 therefore does not require a response by FedEx Express.

41. FedEx Express denies the allegations in paragraph 41 of the Complaint.

42. Paragraph 42 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 42.

43. Paragraph 43 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 43.

44. Paragraph 44 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 44.

45. Paragraph 45 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 45.

46. Paragraph 46 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 46.

47. Paragraph 47 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 47.

48. Paragraph 48 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 48.

49. Paragraph 49 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 49.

50. Paragraph 50 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is

required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 50.

51. Paragraph 51 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 51.

52. Paragraph 52 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 52.

53. Paragraph 53 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 53.

54. Paragraph 54 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 54.

55. Paragraph 55 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 55.

56. Paragraph 56 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 56.

57. Paragraph 57 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 57.

58. Paragraph 58 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 58.

59. Paragraph 59 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 59.

60. Paragraph 60 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 60.

61. Paragraph 61 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is

required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 61.

62. Paragraph 62 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 62.

63. Paragraph 63 of the Complaint contains no allegations as to FedEx Express and therefore does not require a response by FedEx Express. To the extent a response is required, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 63.

COUNT I – INFRINGEMENT OF U.S. PATENT NO. 5,223,844

64. FedEx Express incorporates by reference its responses to paragraphs 1 through 63.

65. FedEx Express denies the allegations in paragraph 65 of the Complaint, except it is admitted that (1) the public record reflects that U.S. Patent No. 5,223,844 (the “’844 Patent”) is entitled “Vehicle Tracking and Security System” and has an issue date of June 29, 1993, and (2) a document purported to be a true and correct copy of the ’844 Patent was attached to the Complaint as Exhibit A.

66. FedEx Express denies the allegations in paragraph 66 of the Complaint, except it is admitted that the public record reflects that the ’844 Patent is assigned to PJC.

67. To the extent paragraph 67 of the Complaint concerns defendants other than FedEx Express, FedEx Express lacks knowledge or information sufficient to form a belief as

to the truth of the allegations regarding those defendants. The remaining allegations of paragraph 67 are denied.

68. To the extent paragraph 68 of the Complaint concerns defendants other than FedEx Express, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding those defendants. The remaining allegations of paragraph 68 are denied.

JURY DEMAND

69. FedEx Express admits that PJC demands a trial by jury in its Complaint.

PRAYER FOR RELIEF

FedEx Express denies any allegations in the Complaint not admitted. FedEx Express denies that PJC is entitled to the requested relief or any relief from FedEx Express. To the extent PJC seeks relief from the other defendants, FedEx Express lacks knowledge or information sufficient to form a belief as to the truth of the demands as to those defendants as set forth in PJC's Prayer for Relief. FedEx Express respectfully prays that PJC take nothing by this suit and that FedEx Express recover its attorneys' fees and costs, pre-judgment and post-judgment interest, and such other relief, at law or in equity, to which FedEx Express is justly entitled.

DEFENSES

FedEx Express hereby asserts the following defenses with knowledge as to its own actions and on information and belief with respect to the actions of others, and without undertaking or otherwise shifting any applicable burdens of proof. FedEx Express reserves the right to assert additional defenses, as warranted by facts learned through investigation and discovery.

FIRST DEFENSE - NON-INFRINGEMENT

1. FedEx Express does not infringe, has not infringed, and does not and has not induced infringement or contributed to infringement of the '844 Patent under any theory, including literal infringement or infringement under the doctrine of equivalents.

SECOND DEFENSE - INVALIDITY

2. Each claim of the '844 Patent is invalid for failure to comply with one or more provisions of Title 35, United States Code, including but not limited to 35 U.S.C. §§ 101, 102, 103, 112 and 305.

THIRD DEFENSE - PROSECUTION HISTORY ESTOPPEL

3. By reason of the proceedings in the United States Patent and Trademark Office during both the prosecution of the application that resulted in issuance of the '844 Patent and the reexamination of the '844 Patent, as shown by the prosecution histories thereof, PJC is estopped, in whole or in part, from maintaining that FedEx Express infringes or has infringed the '844 Patent.

FOURTH DEFENSE - INTERVENING RIGHTS

4. PJC's claims for relief concerning any claim added to the '844 Patent during reexamination or any claim substantively amended during reexamination are barred, in whole or in part, by the doctrine of intervening rights and/or 35 U.S.C. §§ 252, 307.

FIFTH DEFENSE - LIMITATION ON DAMAGES

5. The relief sought by PJC is barred in whole or in part by 35 U.S.C. §§ 286 and/or 287.

SIXTH DEFENSE - ADEQUATE REMEDY AT LAW

6. PJC is not entitled to injunctive relief because any alleged injury to PJC is not immediate or irreparable and PJC has an adequate remedy at law.

SEVENTH DEFENSE - LACHES

7. The United States Patent and Trademark Office issued the '844 Patent on June 29, 1993.

8. PJC did not bring suit against FedEx Express until March 18, 2011.

9. PJC's claim for relief for infringement of the '844 Patent is barred in whole or in part under the doctrine of laches by virtue of the inexcusable delay in bringing suit against FedEx Express and/or its suppliers.

COUNTERCLAIMS

Counterclaim-Plaintiff FedEx Express hereby alleges with knowledge as to its own actions and on information and belief with respect to the actions of others the following counterclaims against Counterclaim-Defendant PJC. FedEx Express reserves the right to assert additional counterclaims, as warranted by facts learned through investigation and discovery.

1. FedEx Express is a corporation organized under the laws of Delaware with its principal place of business at 3610 Hacks Cross Road, Memphis, Tennessee 38125.

2. Upon information and belief, PJC is a limited liability company organized under the laws of Texas with its principal place of business at 777 Enterprise Drive, Hewitt, Texas 76643.

3. This Court has subject matter jurisdiction over these counterclaims pursuant to 28 U.S.C. §§ 1331, 1338(a), 1367(a), 2201, and 2202, and 35 U.S.C. §§ 1, et seq.

4. PJC has submitted to the personal jurisdiction of this Court.

5. Venue is proper because PJC brought this action and consented to venue.

COUNTERCLAIM ONE **DECLARATORY JUDGMENT OF NON-INFRINGEMENT**

6. FedEx Express repeats and realleges paragraphs 1–5 above as if fully set forth herein.

7. PJC purports to be the assignee and lawful owner of all right, title and interest in and to the '844 Patent, entitled "Vehicle Tracking and Security System", which issued on June 29, 1993.

8. PJC has sued FedEx Express in the present action, alleging infringement of the '844 Patent. Thus, an immediate, real, and justiciable controversy exists between FedEx Express and PJC with respect to the alleged infringement of the '844 Patent.

9. FedEx Express does not infringe, has not infringed, and does not and has not induced infringement or contributed to infringement of the '844 Patent under any theory, including literal infringement or infringement under the doctrine of equivalents.

10. No claim of the '844 Patent can validly be construed to cover any product made, used, sold, offered for sale, or imported by FedEx Express.

11. FedEx Express requests a declaratory judgment that FedEx Express does not infringe, directly or indirectly, any claim of the '844 Patent.

COUNTERCLAIM TWO
DECLARATORY JUDGMENT OF INVALIDITY

12. FedEx Express repeats and realleges paragraphs 1–11 above as if fully set forth herein.

13. An immediate, real, and justiciable controversy exists between FedEx Express and PJC with respect to the invalidity of the '844 Patent.

14. The '844 Patent is invalid for failure to comply with one or more provisions of Title 35, United States Code, including but not limited to 35 U.S.C. §§ 101, 102, 103, 112 and 305.

15. FedEx Express requests declaratory judgment that the '844 Patent is invalid.

FEDEX'S PRAYER FOR RELIEF

FedEx Express prays for the following relief:

1. that any and all relief requested by PJC, as set forth in PJC's Complaint, be denied and that the Complaint be dismissed with prejudice;

2. that FedEx Express have judgment on its Counterclaims, including that this Court declare the '844 Patent invalid; that this Court declare that FedEx Express has not infringed, directly or indirectly, the '844 Patent;

3. that this Court grant such other and further relief to FedEx Express as this Court may deem just and equitable.

JURY DEMAND

FedEx Express demands a trial by jury on all issues triable of right by a jury.

Dated: October 28, 2011

Respectfully submitted,

/s/ Ronn B. Kreps

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Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing pleading, was served this 28th day of October via the Court's ECF system upon all counsel of record that are registered ECF users.

/s/ Ronn B. Kreps

Ronn B. Kreps